The Insolvency Act 1986

2.35B

# Notice of move from administration to dissolution

Name of Company

Landround PLC

Company number

03372127

In the

Manchester County Court

Court case number 3997 of 2008

We Paul Andrew Flint

KPMG LLP

St James' Square

Manchester

M2 6DS

United Kingdom

Brian Green
1 The Embankment
Neville St

Leeds LS1 4DW

having been appointed Administrators of Landround PLC

on 28 November 2008 by Directors

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply.

We attach a copy of the final progress report

Signed

Joint Administrators

Dated

23 November 2009

#### Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to researchers of the public record

Louise Rigby KPMG LLP

St James' Square

Manchester

M2 6DS

United Kingdom

DX Number DX 724620 Manchester 42

Tel +44 161 2464875

DX Exchange

\*A3JT4FBJ\* A48 27/11/2009 86

**COMPANIES HOUSE** 

When you have completed and signed this form, please send it to the

Registrar of Companies at:-

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff



Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003

KPMG LLP
23 November 2009
This report contains 7 pages
The appendices contain 6 pages

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Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP

November 2009

# Notice: About this report

This Report has been prepared by Paul Andrew Flint and Brian Green, the Joint Administrators of Landround Plc, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Landround Plc.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Paul Andrew Flint and Brian Green are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England & Wales.

The Joint Administrators act as agents for Landround Plc and contract without personal liability.

The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.





Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003

 $KPMG\ LLP$ 

23 November 2009

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# **Appendices**

- 1 Joint Administrators' receipts and payments account to 20 November 2009
- 2 Joint Administrators' time costs, charge out rates and disbursements to 20 November 2009
- 3 Joint Administrators' original Proposals



Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP

23 November 2009

## 1 Glossary

Joint Administrators Paul Andrew Flint and Brian Green of KPMG LLP, St James'

Square, Manchester, M2 6DS.

Administration The Administration granted by the High Court of Justice,

Chancery Division, Manchester District Registry in respect of Landround Plc dated 28 November 2008. Court case number

3997 of 2008

Company Landround Plc (in Administration)

Group Landround Pic and its 100% subsidiaries (Landround

Marketing Limited, Travel Offers Limited, Landround Travel Limited, Fixed Fee Plus Limited, White Label Rewards Limited, Compra y Vuela SL and Travel Rewards AB Limited)

HSBC HSBC Bank plc

Agents Sanderson Weatherall

Solicitors Eversheds LLP

SIP Statement of Insolvency Practice

Act Insolvency Act 1986

EC Regulations Council Regulations (EC) No. 1346/2000

# 2 Other information required by Rule 2.47 of the Insolvency (Amendment) Rules 2003

Date of appointment 28 November 2008

Company registered number 03372127

Previous registered office The Quadrant, Sealand Road, Chester, CH1 4QR

Present registered office KPMG LLP, St James' Square, Manchester, M2 6DS

Appointor The Directors of the Company





Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP

23 November 2009

#### 3 Introduction

Further to my report dated 17 June 2009, I write to provide the final report on the outcome of the Administration in accordance with Rule 2.110 of the Insolvency (Amendment) Rules 2003.

The original proposals agreed by the creditors are attached at Appendix 3. In accordance with Rule 2.110 of the Insolvency (Amendment) Rules 2003, the outcome of the Administration is detailed in this, my final report. There have been no notable deviations from the Joint Administrators' original Proposals.

For your information, an abstract receipts and payments account for the period 28 May 2009 to 20 November 2009 is attached at Appendix 1.

There are no funds remaining in this case.

## 4 Receipts and Payments

An analysis of receipts and payments for the period 28 May 2009 to 20 November 2009 is attached at Appendix 1.

No funds remain in the case at 20 November 2009.

Receipts and payments in the period are commented on below.

#### 4.1 Receipts

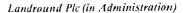
#### 4.1.1 Intellectual property

#### 4.1.1.1 "Buy & Fly!" brand

As detailed in my report dated 17 June 2009, a sale of the "Buy & Fly!" brand to The Collinson Group Limited was completed on 22 May 2009. Funds of £15,000 plus VAT have been received in relation to this sale and this sum has now been transferred to us by our Solicitors.

#### 4.1.2 Bank Interest

Interest of £1 has been received on funds held in the Joint Administrators' bank accounts.





Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003

KPMG LLP

23 November 2009

#### 4.2 Payments

#### 4.2.1 Statutory Advertising

A sum of £342 has been paid in respect of statutory advertising.

#### 4.2.2 Legal Fees and Disbursements

A total of £3,132 has been paid to Eversheds LLP in the period in respect of their advice and contract preparation regarding the sale of Intellectual Property, detailed in section 4.1.1.

#### 4.2.3 Administrators' Fees

A first and final fee of £35,418 has been drawn in the period. This is detailed further in section 5 below.

#### 4.2.4 Administrators' Expenses

Expenses totalling £267 have been drawn.

#### 4.2.5 Bank Charges

Charges of £3 have been paid in the period.

#### 4.2.6 **VAT**

VAT paid and received in the prior six month period has been accounted for with HMRC in the relevant return during this current period.

#### 5 Joint Administrators' Fees

To date, the Joint Administrators have been engaged in:

- dealing with employee matters;
- realising the Company's assets:
- dealing with creditor and shareholder claims and queries:
- reporting to unsecured creditors and shareholders:
- corresponding with our HSE (Health, Safety & Environment). VAT and Corporation Tax teams;
- statutory issues associated with the Administration and
- Joseph and related formulates





Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP 23 November 2009

In accordance with rule 2.106 (9) of the Insolvency Rules 1986 (as amended), on 25 September 2009, the secured creditor agreed the following proposals in respect of the Joint Administrators' remuneration:

- The Joint Administrators will seek approval to draw fees on account from the assets
  of Landround plc (in Administration) from time to time during the period of
  Administration based on time properly spent at the KPMG LLP charge out rates
  shown in Appendix 2. Also, the Joint Administrators will seek approval to draw
  disbursements from time to time; and
- that the costs of KPMG LLP in respect of HSE, Pension, Tax and VAT advice
  provided to the Joint Administrators be based upon time costs and shall be paid out of
  the assets of Landround plc (in Administration).
- the Joint Administrators will seek a resolution from creditors to be discharged from liability upon cessation of their appointment, in respect of any action of the Joint Administrators pursuant to paragraph 98(1) of Schedule B1 to the Act.

The Joint Administrators' total time costs to 20 November 2009 are £76,360, of which £11,031 relates to the period 28 May 2009 to 20 November 2009. Fees and expenses of £35,418 and £267 respectively have been drawn in the period.

A full analysis of the Joint Administrators' time costs for the period 28 May 2009 to 20 November 2009 in accordance with the provisions of the Statement of Insolvency Practice 9 is attached at Appendix 2. along with applicable charge out rates. A creditors' guide to fees can be found at:

http://www.r3.org.uk/uploads/sip/SIP9 v% April 2007(1).pdf, however, if you are unable to access this guide and would like a copy please contact Louise Rigby.

The Joint Administrators have instructed KPMG LLP HSE (Health Safety & Environment), Pension, Corporation Tax and VAT specialists to carry out assessments of the Company's position. Time in relation to these matters is also included in the analysis at Appendix 2.

#### 6 Other Matters

The EC regulation on Insolvency Proceedings 2000 will apply in this matter and these proceedings are the main proceedings as defined in Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

Section 176A of the Act provides that, a prescribed part will be made available to unsecured creditors should floating charge realisations be sufficient on the basis that the floating charge in favour of the Bank was created after 15 September 2003. The debenture was created on 19 April 2005



Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP 23 November 2009

The prescribed part is a proportion of the net floating charge realisations after preferential creditors have been paid in full, to be distributed exclusively to unsecured creditors.

In this case, floating charge realisations are insufficient to enable a prescribed part payment to be made available to unsecured creditors.

#### 7 Creditors

#### 7.1 Secured Creditors

Approximately £4,000 was due to HSBC from the Company at the date of appointment of the Joint Administrators. However, as stated in the Joint Administrators' Proposals and in my report dated 17 June 2009, HSBC's security is such that it is able to apply cross guarantees to set off balances across the other Group companies. As such, on appointment there was no Group indebtedness to HSBC with the exception of fees and charges.

There are no other secured creditors.

#### 7.2 Preferential Creditors

There are insufficient realisations available to enable a distribution to preferential creditors.

#### 7.3 Unsecured Creditors

There are insufficient realisations available to enable a distribution to unsecured creditors.



Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP 23 November 2009

## 8 Conclusion of the Administration

The Joint Administrators' Proposals have been completed.

The Joint Administrators have sought the dissolution of the Company pursuant to the provisions of paragraph 84 of Schedule B1 of the Act. A copy of Form 2.35B to this effect is enclosed.

The Company will be formally dissolved three months after the Form 2.35B is filed at Companies House.

There are no further matters to report to creditors and the Administration is deemed to be formally complete.

Paul Andrew Flint

Joint Administrator

Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP

23 November 2009

# Appendix 1 – The Joint Administrators' receipts and payments for the period 28 May 2009 to 20 November 2009

	nikiround PLC	Page
	RECEIPTS	£
	Brought forward from previous Abstract (if Any)	32.154.19
	Bank interest, gross Intellectual Property Floating ch. VAT rec'able	0.61 15.000.00 841.27
		,
elete as	Canied forward to	47,996.07
портіате	* continuation sheet / next abstract	,
	PAYMENTS	£
	Brought forward from previous Abstract (if Any)	8,082.91
	Administrators' fees Administrators' fees Administrators' expenses Legal fees Legal disbursements Statutors' advertising Bank charges Fixed charge VAT payable	22,994.13 12,424.11 267.17 3,000.09 132,42 342,00 3,33 750,00
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Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP

23 November 2009

#### Landround PLC (In Administration) Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 28/05/2009 To 20/11/2009	From 28/11/2008 To 20/11/2009
	FIXED CHARGE ASSETS Bank interest, gross	0.61 0.61	0.6 <u>1</u> 0.6 <u>1</u>
	FIXED CHARGE COSTS Administrators' fees Bank charges	22,994.13 NIL (22,994.13)	22,994,13 3.15 (22,997,28)
1,460,60	ASSET REALISATIONS Cash at bank intellectual Property	NIL 15,000.00 15,000.00	26,404.19 29,900.00 46,404.19
	COST OF REALISATIONS IT Consultancy Administrators' fees Agents'/Valuers' fees Legal fees Legal disbursements Statutory advertising Bank charges	NIL 12,691,28 NIL 3,000,00 132,42 342,00 3,33 (16,169,03)	500.00 12.691.28 1.000.00 8,217.40 152.42 763.09 3.33 (23.407.52)
(19,900.90)	PREFERENTIAL CREDITORS Employees' wage attests	NIL NIL	NIL NIL
(443,812.00)	UNSECURED CREDITORS Trade & expense	NIL NIL	NIL NIL
(701,207,00)	DISTRIBUTIONS Ordinary shareholders	NIL NIL	NIL MIL
(1.153.619.00)	PENDENT TILL DI	(24,162,55)	(0.09)
	REPRESENTED BY	•	NIL

Paul Andrew Flan Administrator



28/05/09 to 20/11/09

andround ple (in Administration)

sPP 9 Compliant fees worksheet

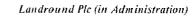
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Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP 23 November 2009

# Appendix 2 – The Joint Administrators' time costs, charge out rates and disbursements for the period 28 May 2009 to 20 November 2009

didered time spent by grade	Partner/Director	Management	Administrators	Total	Total Cost #	Average Rafe £
Actively					; ; ;	
Adménstration & planning						
Statutors Receipts & Payments	0.00	1.00	0.50	1.50	487.50	325.00
Strainty documents	0.00	0.00	0.10	01.0	16.50	165.00
t by are & related formaltues	0.10	2.00	0.00	2.10	861.50	410.24
On Alba & Reviews	2.50	2.30	0.00	4.80	2.006.00	417.92
Less & WIP	0.00	00 0	2,10	2.10	280.50	133.57
Colorad cashiering	00'0	000	3.70	3.70	526.50	142.30
Reconcilations	0.00	0.00	0.20	0.20	21,00	105.00
15. American programment 15. American programment for the programment of the programment	0.10	0.00	1.50	1.60	321.50	200.94
Post appointment CT	1.10	4.50	8.60	14.20	3,867,50	272.36
-	3.80	08.0	16.70	30.30	8,388.50	276.85
Coditors						
Coeditor correspondence	00.0	00 0	2.80	. 2.80	480.00	171,43
Reports to creditors	00:00	2.00	8.00	10.00	2,130.00	213.00
Pre approlational VALPANT C:	0.00	0.10	0.00	0.10	32.00	320.00
	0.00	01.0	10.80	12.90	2,642.00	204,81
bacil hapitwebsi	3.80	11.90	27.50	43.20	11,030.50	255.34
		Fees	Fees drawn	Heat	Hours/Costs to date	a
		13.4	0.00	280.50	65,330.00	232.91
		In the period	35,418.24	43.20	11,030.50	255.34
		5	35,418.24	323.70	76,360.50	235.90

interval which they worked on this assignment, including cashiers and scenetarial staff, have charged time directly to the assignment and are a taked in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but





Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP 23 November 2009

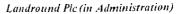
### Landround plc (in Administration) 28 May 2009 to 20 November 2009

out rate	e <b>f</b>
	3.2
) to	400
) to	365
) to.	205
5 to	95
	_

1 April 2009			
Grade	Charge o	ut rates £	
Partner/Director	440	to	515
Management	320	to	405
Administrators Support	165	to	225
	105	To	105

#### Category 1 expenses

Expense name	Expense amount £
Postage	49.80
Telephone calls	26.58
Mileage – tax free	120.80
Other travel costs	40.00
Sundry	29.99
·	267.17





Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP

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# Appendix 3 – The Joint Administrators' Original Proposals

The Joint Administrators propose the following:

- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company;
- to seek an extension to the Administration period if deemed necessary by the Joint Administrators; firstly by consent from the secured creditors (and the requisite majority of preferential creditors if the Joint Administrators think that there will be a distribution to them) for a six-month period and, if further time is required, by an application to court under paragraph 76(2) of Schedule B1 to the Act;
- when it is considered that no further distributions to creditors will be made and that the Joint Administrators have concluded their duties, to take the necessary steps to move the Company from Administration to Dissolution, pursuant to paragraph 84 of Schedule B1 to the Act. If the Joint Administrators think that a distribution will be made to unsecured creditors, to take the necessary steps to move the Company into Creditors' Voluntary Liquidation pursuant to paragraph 83 of Schedule B1 to the Act;
- if Creditors' Voluntary Liquidation is deemed appropriate, the Joint Administrators will seek the appointment of Paul Andrew Flint and Brian Green of KPMG LLP as Liquidators of Landround Ple. In accordance with paragraph 83(7) of Schedule B1 to the Act and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved;
- if deemed appropriate to make an application to court under paragraph 79 of Schedule B1 to the Act to end the Administration and petition the court for the winding up of the Company. If appropriate, the Joint Administrators will apply to be appointed as Joint Liquidators under Section 140 (1) of the Act; and
- the Joint Administrators will seek a resolution from creditors to be discharged from liability upon cessation of their appointment, in respect of any action of the Joint Administrators pursuant to paragraph 98(1) of Schedule B1 to the Act.

In relation to Joint Administrators' fees:

• that in the event that no creditors' committee is formed, or if no determination of the creditors committee is reached, the Joint Administrators will seek approval from secured creditors (and the requisite majority of preferential creditors if the Joint Administrators think that there will be a distribution to them) in relation to the basis of their remuneration. The Joint Administrators will seek approval to draw fees on account from the assets of Landround Ple (in Administration) from time to time during the period of Administration based on time properly spent at the KPMG LLP charge out rates shown in Appendix 2. Also, the Joint Administrators will seek approval to draw disbursements from time to time, and



Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003 KPMG LLP

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that the costs of KPMG LLP in respect of HSE, Pension, Tax and VAT advice
provided to the Joint Administrators be based upon time costs and shall be paid out of
the assets of Landround Plc (in Administration).